



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CEPR-P (715)

05 MAR 2002


MEMORANDUM FOR COMMANDERS/DIRECTORS, ALL USACE COMMANDS,
ATTN: DIRECTORS/CHIEFS OF CONTRACTING

SUBJECT: Principal Assistant Responsible for Contracting (PARC) Instruction Letter 2002-05,
Suspension of Price Evaluation Adjustment for Small Disadvantage Business

1. Reference enclosed Memorandum dated 31 January 2002, SAB.
2. This PARC Instruction Letter 2002-05 is issued to reemphasize that contracting officers shall continue to suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR) Subpart 19. This suspension applies to all solicitations issued during the period from 24 February 2002 to 23 February 2003.
3. The POC for action is Song Zobrist, CEPR-P, (202) 761-8644.

. FOR THE COMMANDER:

Encl


BUNNATINE H. GREENHOUSE
Principal Assistant Responsible
for Contracting



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JANUARY 31, 2002

In reply refer to
DAR Tracking Number: 2002-00002

DP (DAR)

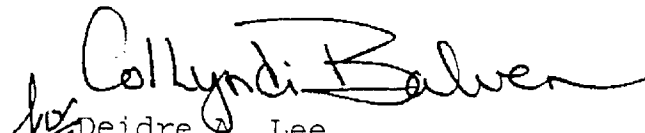
MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR LOGISTICS POLICY AND ACQUISITION
MANAGEMENT (DLA)

SUBJECT: Suspension of the Price Evaluation Adjustment for Small
Disadvantaged Businesses

All Department of Defense (DoD) contracting activities shall continue to suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR) Subpart 19.11.

Subsection 2323(e) of title 10, United States Code (U.S.C.), as amended by Section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, prohibits DoD from exercising the authority for a price exceeding fair market cost if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5 percent goal established by subsection 2323(a) in the most recent fiscal year for which data are available. The determination has been made that in fiscal year 2001, DoD exceeded the 5 percent goal established in 10 U.S.C. 2323(a) for contract awards to SDBs. Accordingly, use of the price evaluation adjustment prescribed in FAR 19.11 is suspended for DoD.

This suspension applies to all solicitations issued during the period from February 24, 2002, to February 23, 2003.


for Deidre A. Lee
Director, Defense Procurement

cc: DSMC, Ft. Belvoir



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